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SIPDIS

DEPARTMENT FOR EUR/CE

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TAGS: PGOV PREL AU

SUBJECT: AUSTRIA: SPO ELECTS FAYMANN AS PARTY LEADER

REF: VIENNA 942

Classified by: Acting Economic-Political Counselor Philip Kaplan for reasons 1.4 (b) and (d).

11. (C) Summary: SPO delegates on July 8 elected Infrastructure Minister Werner Faymann as their new party leader during a convention in Linz. Faymann, who was named acting party chairman in June, will be the SPO's top candidate in the September 28 national elections. In his convention speech, Faymann pledged to protect workers from globalization and rising prices and defended his policy of calling for referenda on future EU treaties. He reiterated his opposition to forming a coalition with the far-right FPO. Outgoing Chancellor Gusenbauer also addressed delegates, apologizing for his mistakes while blaming junior coalition partner OVP for undermining his government. SPO leaders are hoping that Faymann will prove more adept at party leadership and coalition politics than the hapless Gusenbauer. End Summary.

Faymann: No Coalition with FPO

¶2. (U) Before the vote, Faymann addressed the crowd of about 650 delegates for 30 minutes. After thanking Gusenbauer for his 18 months of national leadership, he emphasized the need for government to fight rising prices and provide a "social counterweight" to the influences of economic competition and globalization. Faymann reiterated his stance against forming a governing alliance with the far-right FPO, declaring that his party would have "nothing to do" with them. He also promised to engage in open discussions within the party before reaching decisions.

Defends EU Referenda

- ¶3. (U) Faymann defended his recent, controversial decision, backed by Gusenbauer, to declare that henceforth the SPO will call for referenda on any future EU treaties (reftel A). He averred that the SPO remains pro-European, but wants to see an EU that is more attentive to the needs of workers. He said national referenda would help the EU develop a new treaty adopted "with the people, not against them." Faymann mocked those in the OVP who have said the SPO's about-face on EU referenda has damaged Austria's image in Europe. Noting that the OVP formed a coalition government with the FPO in 2000, leading to diplomatic sanctions by the other EU members, Faymann said it was "unbelievable" that the OVP was claiming to be concerned about Austria's image.
- 14. (U) Faymann's comments were, in part, an indirect response to a recent open letter signed by former Finance Minister Lacina and other prominent SPO figures criticizing, among other things, the party's new policy on EU referenda and the sudden transfer of leadership from Gusenbauer to Faymann. The letter accuses party leaders of undermining the party's democratic decision-making process.

- ¶5. (U) Gusenbauer, speaking before Faymann, apologized for his mistakes but accused the OVP of bringing down his government by blocking SPO initiatives at every turn. Gusenbauer stuck by his social democratic principles, stating that he had tried to bind social justice with individual freedom. He expressed pride that 40 percent of the SPO MPs are women, including parliamentary President Barbara Prammer.
- $\underline{\mathbf{1}}$ 6. (U) Over 98 percent of the delegates voted for Faymann as party chairman, a position he has held on an acting basis since a June 16 party presidium meeting (reftel B).

Comment: Faymann Viewed as a Leader

17. (C) Gusenbauer, whose 544 days in office will mark the shortest tenure of any Austrian chancellor since World War II, suffered from low popularity ratings from nearly the start of his term. Leaders within his own party often complained that he failed to communicate with them and criticized his lack of charisma. It is not clear in which direction Faymann will now steer the SPO. Contacts tell us that Faymann, unlike Gusenbauer, is a pragmatist who does not appear to hold strong ideological views. SPO leaders seem to have rallied behind Faymann in the belief that he would fare better than Gusenbauer in managing relations with a coalition partner (or partners) and among SPO members.

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